

State of Utah

Comprehensive Annual Financial Report

2008



For the Fiscal Year Ended **June 30, 2008**

State Of Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2008

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ACKNOWLEDGMENTS

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Special appreciation is given to all of the budget and accounting officers throughout the State whose extra time and effort made this report possible.



Department of Administrative Services: Division of Finance Accounting Standards and Financial Reporting Section

State of Utah
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2008

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REQUIRED SUPPLEMENTARY INFORMATION

State of Utah**Budgetary Comparison Schedule
General Fund**

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Sales Tax	\$ 1,746,302	\$ 1,795,374	\$ 1,739,384	\$ (55,990)
Licenses, Permits, and Fees:				
Insurance Fees	6,029	6,486	6,166	(320)
Court Fees	5,914	6,192	4,901	(1,291)
Other Licenses, Permits, and Fees	8,925	6,191	9,589	3,398
Investment Income	54,750	55,938	62,769	6,831
Miscellaneous Taxes and Other:				
Beer Tax	7,204	8,491	9,072	581
Cigarette and Tobacco Tax	51,696	58,364	53,769	(4,595)
Inheritance Tax	100	75	95	20
Insurance Premium Tax	71,600	76,762	77,224	462
Oil, Gas, and Mining Severance Tax	90,190	80,108	92,058	11,950
Taxpayer Rebates	(5,850)	(6,209)	(6,399)	(190)
Court Collections	5,069	5,004	5,124	120
Other Taxes	24,443	27,389	31,378	3,989
Miscellaneous Other	15,245	9,234	8,454	(780)
Total General Revenues	<u>2,081,617</u>	<u>2,129,399</u>	<u>2,093,584</u>	<u>(35,815)</u>
Department Specific Revenues				
Restricted Sales Tax	3,584	3,827	3,827	—
Federal Contracts and Grants	2,050,269	1,905,370	1,905,370	—
Departmental Collections	285,935	310,941	329,535	18,594
Higher Education Collections	366,241	390,638	390,638	—
Federal Mineral Lease	121,475	115,202	134,404	19,202
Investment Income	4,990	19,100	13,994	(5,106)
Miscellaneous	430,619	534,731	527,830	(6,901)
Total Department Specific Revenues	<u>3,263,113</u>	<u>3,279,809</u>	<u>3,305,598</u>	<u>25,789</u>
Total Revenues	<u>5,344,730</u>	<u>5,409,208</u>	<u>5,399,182</u>	<u>(10,026)</u>
Expenditures				
General Government	385,653	411,105	298,750	112,355
Human Services and Youth Corrections	706,688	700,199	687,502	12,697
Corrections, Adult	255,986	258,251	247,883	10,368
Public Safety	268,491	227,360	192,841	34,519
Courts	131,208	131,500	128,314	3,186
Health and Environmental Quality	1,993,600	2,019,151	1,995,331	23,820
Higher Education – State Administration	40,406	65,413	64,587	826
Higher Education – Colleges and Universities	1,180,609	1,174,464	1,174,430	34
Employment and Family Services	320,649	443,638	441,698	1,940
Natural Resources	187,671	207,482	181,880	25,602
Community and Culture	199,709	131,302	127,423	3,879
Business, Labor, and Agriculture	104,381	107,122	93,334	13,788
Total Expenditures	<u>5,775,051</u>	<u>5,876,987</u>	<u>5,633,973</u>	<u>243,014</u>
Excess Revenues Over (Under) Expenditures	<u>(430,321)</u>	<u>(467,779)</u>	<u>(234,791)</u>	<u>232,988</u>
Other Financing Sources (Uses)				
Capital Leases Acquisition	—	—	2,131	2,131
Sale of Capital Assets	—	—	80	80
Transfers In	932,964	911,717	911,717	—
Transfers Out	(854,973)	(873,826)	(873,826)	—
Total Other Financing Sources (Uses)	<u>77,991</u>	<u>37,891</u>	<u>40,102</u>	<u>2,211</u>
Net Change in Fund Balance	<u>(352,330)</u>	<u>(429,888)</u>	<u>(194,689)</u>	<u>235,199</u>
Budgetary Fund Balance – Beginning	<u>880,798</u>	<u>880,798</u>	<u>880,798</u>	<u>—</u>
Budgetary Fund Balance – Ending	<u>\$ 528,468</u>	<u>\$ 450,910</u>	<u>\$ 686,109</u>	<u>\$ 235,199</u>

The Notes to Required Supplementary Information – Budgetary Reporting are an integral part of this schedule.

State of Utah**Budgetary Comparison Schedule
Education Fund**

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Individual Income Tax	\$ 2,544,809	\$ 2,708,899	\$ 2,611,848	\$ (97,051)
Corporate Tax	414,612	372,311	410,879	38,568
Total General Revenues	<u>2,959,421</u>	<u>3,081,210</u>	<u>3,022,727</u>	<u>(58,483)</u>
Department Specific Revenues				
Miscellaneous:				
Investment Income	8,151	8,788	7,631	(1,157)
Other	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Department Specific Revenues	<u>8,151</u>	<u>8,788</u>	<u>7,631</u>	<u>(1,157)</u>
Total Revenues	<u>2,967,572</u>	<u>3,089,998</u>	<u>3,030,358</u>	<u>(59,640)</u>
Expenditures				
Education Support	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess Revenues Over (Under) Expenditures	<u>2,967,572</u>	<u>3,089,998</u>	<u>3,030,358</u>	<u>(59,640)</u>
Other Financing Sources (Uses)				
Transfers In	—	44,237	44,237	—
Transfers Out	<u>(3,493,692)</u>	<u>(3,175,521)</u>	<u>(3,175,521)</u>	<u>—</u>
Total Other Financing Sources (Uses)	<u>(3,493,692)</u>	<u>(3,131,284)</u>	<u>(3,131,284)</u>	<u>0</u>
Net Change in Fund Balance	(526,120)	(41,286)	(100,926)	(59,640)
Budgetary Fund Balance – Beginning	335,602	335,602	335,602	—
Budgetary Fund Balance – Ending	<u>\$ (190,518)</u>	<u>\$ 294,316</u>	<u>\$ 234,676</u>	<u>\$ (59,640)</u>

The Notes to Required Supplementary Information – Budgetary Reporting are an integral part of this schedule.

State of Utah**Budgetary Comparison Schedule
Uniform School Fund**

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Miscellaneous Other	\$ 13,200	\$ 12,160	\$ 25,090	\$ 12,930
Total General Revenues	<u>13,200</u>	<u>12,160</u>	<u>25,090</u>	<u>12,930</u>
Department Specific Revenues				
Federal Contracts and Grants	385,504	379,707	379,707	—
Departmental Collections	2,024	9,093	9,093	—
Miscellaneous:				
School Lunch Tax	21,601	25,640	25,640	—
Driver Education Fee	4,950	5,029	5,029	—
Investment Income	20,082	20,230	27,623	7,393
Other	4,764	5,553	5,564	11
Total Department Specific Revenues	<u>438,925</u>	<u>445,252</u>	<u>452,656</u>	<u>7,404</u>
Total Revenues	<u>452,125</u>	<u>457,412</u>	<u>477,746</u>	<u>20,334</u>
Expenditures				
Public Education	<u>3,098,355</u>	<u>3,120,884</u>	<u>2,971,564</u>	<u>149,320</u>
Total Expenditures	<u>3,098,355</u>	<u>3,120,884</u>	<u>2,971,564</u>	<u>149,320</u>
Excess Revenues Over (Under) Expenditures	<u>(2,646,230)</u>	<u>(2,663,472)</u>	<u>(2,493,818)</u>	<u>169,654</u>
Other Financing Sources (Uses)				
Transfers In	2,644,272	2,325,571	2,325,571	—
Transfers Out	<u>(63,496)</u>	<u>(110,135)</u>	<u>(110,135)</u>	<u>—</u>
Total Other Financing Sources (Uses)	<u>2,580,776</u>	<u>2,215,436</u>	<u>2,215,436</u>	<u>0</u>
Net Change in Fund Balance	(65,454)	(448,036)	(278,382)	169,654
Budgetary Fund Balance – Beginning	<u>650,003</u>	<u>650,003</u>	<u>650,003</u>	<u>—</u>
Budgetary Fund Balance – Ending	<u>\$ 584,549</u>	<u>\$ 201,967</u>	<u>\$ 371,621</u>	<u>\$ 169,654</u>

The Notes to Required Supplementary Information – Budgetary Reporting are an integral part of this schedule.

State of Utah**Budgetary Comparison Schedule
Transportation Fund**

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
General Revenues				
Motor Fuel Tax	\$ 242,300	\$ 265,853	\$ 250,669	\$ (15,184)
Special Fuel Tax	109,900	121,288	112,984	(8,304)
Licenses, Permits, and Fees:				
Motor Vehicle Registration Fees	34,606	34,420	35,366	946
Proportional Registration Fees	13,851	13,243	14,202	959
Temporary Permits	380	478	523	45
Special Transportation Permits	7,808	7,632	8,189	557
Highway Use Permits	9,122	6,805	7,574	769
Motor Vehicle Control Fees	5,377	5,188	5,295	107
Miscellaneous	2,048	1,847	2,208	361
Investment Income	6,104	7,964	7,602	(362)
Miscellaneous Other	2,145	2,489	1,679	(810)
Total General Revenues	<u>433,641</u>	<u>467,207</u>	<u>446,291</u>	<u>(20,916)</u>
Department Specific Revenues				
Restricted Sales and Aviation Fuel Taxes	25,318	115,318	152,393	37,075
Federal Contracts and Grants	176,561	283,991	283,992	1
Departmental Collections	40,325	58,718	67,876	9,158
Federal Aeronautics	45,000	45,000	68,193	23,193
Investment Income	1,111	1,111	5,373	4,262
Miscellaneous	14,050	51,784	54,223	2,439
Total Department Specific Revenues	<u>302,365</u>	<u>555,922</u>	<u>632,050</u>	<u>76,128</u>
Total Revenues	<u>736,006</u>	<u>1,023,129</u>	<u>1,078,341</u>	<u>55,212</u>
Expenditures				
Transportation	<u>998,834</u>	<u>1,241,416</u>	<u>1,100,673</u>	<u>140,743</u>
Total Expenditures	<u>998,834</u>	<u>1,241,416</u>	<u>1,100,673</u>	<u>140,743</u>
Excess Revenues Over (Under) Expenditures	<u>(262,828)</u>	<u>(218,287)</u>	<u>(22,332)</u>	<u>195,955</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	—	—	70,083	70,083
Sale of Capital Assets	—	—	8,058	8,058
Transfers In	295,159	264,234	264,234	—
Transfers Out	<u>(127,398)</u>	<u>(131,245)</u>	<u>(131,245)</u>	<u>—</u>
Total Other Financing Sources (Uses)	<u>167,761</u>	<u>132,989</u>	<u>211,130</u>	<u>78,141</u>
Net Change in Fund Balance	(95,067)	(85,298)	188,798	274,096
Budgetary Fund Balance – Beginning	<u>277,217</u>	<u>277,217</u>	<u>277,217</u>	<u>—</u>
Budgetary Fund Balance – Ending	<u>\$ 182,150</u>	<u>\$ 191,919</u>	<u>\$ 466,015</u>	<u>\$ 274,096</u>

The Notes to Required Supplementary Information – Budgetary Reporting are an integral part of this schedule.

State of Utah**Budgetary Comparison Schedule
Transportation Investment Fund**

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
General Revenues				
Sales Tax	\$ 177,400	\$ 177,200	\$ 177,321	\$ 121
Motor Vehicle Registration Fees	22,200	23,000	23,055	55
Total General Revenues	199,600	200,200	200,376	176
Department Specific Revenues				
Federal Contracts and Grants	34,000	14,356	14,356	—
Investment Income	2,000	2,000	679	(1,321)
Total Department Specific Revenues	36,000	16,356	15,035	(1,321)
Total Revenues	235,600	216,556	215,411	(1,145)
Expenditures				
Transportation	410,444	410,466	373,222	37,244
Total Expenditures	410,444	410,466	373,222	37,244
Excess Revenues Over (Under) Expenditures	(174,844)	(193,910)	(157,811)	36,099
Other Financing Sources (Uses)				
Transfers In	438,833	438,833	438,833	—
Transfers Out	(237,977)	(209,058)	(209,058)	—
Total Other Financing Sources (Uses)	200,856	229,775	229,775	0
Net Change in Fund Balance	26,012	35,865	71,964	36,099
Budgetary Fund Balance – Beginning	110,891	110,891	110,891	—
Budgetary Fund Balance – Ending	\$ 136,903	\$ 146,756	\$ 182,855	\$ 36,099

The Notes to Required Supplementary Information – Budgetary Reporting are an integral part of this schedule.

State of Utah**Budgetary Comparison Schedule
Budget To GAAP Reconciliation**

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	General Fund	Education Fund	Uniform School Fund	Transportation Fund	Transportation Investment Fund
Revenues					
Actual total revenues (budgetary basis)	\$ 5,399,182	\$ 3,030,358	\$ 477,746	\$ 1,078,341	\$ 215,411
Differences – Budget to GAAP:					
Intrafund revenues are budgetary revenues but are not revenues for financial reporting	(384,155)	—	(4,855)	(1,731)	—
Higher education and Utah Schools for the Deaf and the Blind collections are budgetary revenues but are not revenues for financial reporting	(401,323)	—	(5,782)	—	—
Change in revenue accrual for nonbudgetary Medicaid claims	(6,079)	—	—	—	—
Change in tax accruals designated by law for postemployment and other liabilities are revenues for financial reporting but not for budgetary reporting	(31,707)	(51,748)	(950)	(5,900)	(1,900)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 4,575,918</u>	<u>\$ 2,978,610</u>	<u>\$ 466,159</u>	<u>\$ 1,070,710</u>	<u>\$ 213,511</u>
Expenditures					
Actual total expenditures (budgetary basis)	\$ 5,633,973	\$ —	\$ 2,971,564	\$ 1,100,673	\$ 373,222
Differences – Budget to GAAP:					
Intrafund expenditures for reimbursements are budgetary expenditures but are not expenditures for financial reporting	(384,155)	—	(4,855)	(1,731)	—
Expenditures related to higher education and Utah Schools for the Deaf and the Blind collections are budgetary expenditures but are not expenditures for financial reporting	(401,323)	—	(5,782)	—	—
Certain budgetary transfers and other charges are reported as a reduction of expenditures for financial reporting	(3,495)	—	—	—	—
Leave/postemployment charges budgeted as expenditure when earned rather than when taken or due	(6,715)	—	(404)	(711)	—
Change in accrual for Medicaid incurred but not reported claims excluded from the budget by statute	(11,056)	—	—	—	—
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 4,827,229</u>	<u>\$ 0</u>	<u>\$ 2,960,523</u>	<u>\$ 1,098,231</u>	<u>\$ 373,222</u>

The Notes to Required Supplementary Information – Budgetary Reporting are an integral part of this schedule.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING**Budgetary Presentation**

A Budgetary Comparison Schedule is presented for each of the State's major governmental funds for which the Legislature enacts an annual budget. An annual budget is also adopted for the Debt Service Fund, a nonmajor fund. The budgets are enacted through passage of *Appropriations Acts*. Budgets for specific general revenues are not adopted through an *Appropriations Act* but are based on supporting estimates approved by the Executive Appropriations Committee of the Legislature. General revenues are those revenues available for appropriation for any program or purpose as allowed by law. Department-specific revenues are revenues dedicated by an *Appropriations Act* or restricted by other law or external grantor to a specific program or purpose.

Original budgets and related revenue estimates represent the spending authority enacted through *Appropriations Acts* as of June 30, 2008, and include nonlapsing carryforward balances from the prior fiscal year. Final budgets represent the original budget as amended by supplemental appropriations and related changes in revenue estimates, executive order reductions when applicable, and changes authorized or required by law when department-specific revenues either exceed or fall short of budgeted amounts.

Unexpended balances at yearend may: (1) lapse to unrestricted balances and be available for future appropriation; (2) lapse to restricted balances and be available for future appropriation restricted for specific purposes as defined by statute; or (3) be nonlapsing, which means balances are reported as reservations of fund balance. The nonlapsing balances are considered automatically reappropriated as authorized by statute, by an *Appropriations Act*, or by limited encumbrances.

Budgetary Control

In September of each year, all agencies of the government submit requests for appropriations to the Governor's Office of Planning and Budget so that a budget may be prepared. The budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

In January, the proposed budget is presented to the Legislature. The Legislature reviews the budget, makes changes, and prepares the annual *Appropriations Act*. The Legislature passes the *Appropriations Act* by a simple majority vote. The *Appropriations Act* becomes the State's authorized operating budget upon the Governor's signature. The *Constitution of Utah* requires that budgeted expenditures not exceed estimated revenues and other sources of funding, including beginning balances.

Budgetary control is maintained at the functional or organizational level, as identified by numbered line items in the *Appropriations Act*. Budgets may be modified if federal funding or revenue specifically dedicated for a line item exceeds original estimates in the *Appropriations Act*. If funding sources are not sufficient to cover the appropriation, the Governor is required to reduce the budget by the amount of the deficiency. Any other changes to the budget must be approved by the Legislature in a supplemental *Appropriations Act*.

Any department that spends more than the authorized amount must submit a report explaining the overspending to the State Board of Examiners. The Board will recommend corrective action, which may include a request to the Legislature for a supplemental appropriation to cover the deficit. If a supplemental appropriation is not approved, the department must cover the overspending with the subsequent year's budget. In the General Fund, the State Courts Administrator's budget for juror and witness fees was overexpended by \$359 thousand. This deficit is allowed by statute and will be funded with future appropriations. All other appropriated budgets of the State were within their authorized spending levels.

Spending Limitation

The State also has an appropriation limitation statute that limits the growth in state appropriations. The total of the amount appropriated from unrestricted General Fund sources plus the income tax revenues appropriated for higher education is limited to the growth in population and inflation. The appropriations limitation can be exceeded only if a fiscal emergency is declared and approved by more than two-thirds of both houses of the Legislature, or if approved by a vote of the people. However, the appropriations limitation statute may be amended by a majority of both houses of the Legislature. Appropriations for debt service, emergency expenditures, amounts from other than unrestricted revenue sources, transfers to the Budgetary Reserve Account (Rainy Day Fund), Education Budget Reserve Account and the Transportation Investment Fund; or capital developments meeting certain criteria are exempt from the appropriations limitation. For the fiscal year ended June 30, 2008, the State was \$33.468 million below the appropriations limitation.

INFORMATION ABOUT THE STATE'S OTHER POSTEMPLOYMENT BENEFIT PLAN

The State's Other Postemployment Benefit Plan (OPEB Plan) is administered through the State Post-Retirement Benefits Trust Fund as an irrevocable trust. Assets of the trust fund are dedicated to providing post-retirement health and life insurance coverage to current and eligible future state retirees. Only state employees entitled to receive retirement benefits, and hired prior to January 1, 2006, are eligible to receive post-retirement health and life insurance benefits.

The following schedules present the State of Utah's actuarially determined funding progress and required contributions for the State Post-Retirement Benefits Trust Fund (using the projected unit credit actuarial cost method):

Schedule of Funding Progress
By Valuation Date
(Expressed in Thousands)

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2006	\$ 0	\$ 669,617	\$ 669,617	0.00 %	\$ 748,096	89.51 %

Schedule of Employer Contributions
(Expressed in Thousands)

<u>Year Ended</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
June 30, 2007	\$ 50,433	101.37 %
June 30, 2008	\$ 53,491	98.71 %

INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

As allowed by GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, the State has adopted an alternative to reporting depreciation on roads and bridges (infrastructure assets) maintained by the Utah Department of Transportation (UDOT). This includes infrastructure acquired prior to fiscal year 1981. Under this alternative method, referred to as the “modified approach,” infrastructure assets are not depreciated, and maintenance and preservation costs are expensed.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the State.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the State.

Roads

UDOT uses the Pavement Management System to determine the condition of 5,754 centerline miles of state roads. The assessment is based on the Ride Index, which is a measure of ride quality on a 1 to 5 scale, with 5 representing new or nearly new pavements that provide a very smooth ride. The Ride Index is calculated from the International Roughness Index (IRI), with pavement type (asphalt or concrete) taken into account. The IRI is a mathematical statistic based on the longitudinal profile of the road.

Category	Range	Description
Very Good	4.35 – 5.00	New or nearly new pavements that provide a very smooth ride, and are mainly free of distress.
Good	3.55 – 4.34	Pavements that provide an adequate ride, and exhibit few, if any, visible signs of distress.
Fair	2.75 – 3.54	Surface defects in this category such as cracking, rutting, and raveling are affecting the ride.
Poor	1.85 – 2.74	These roadways have deteriorated to such an extent that they are in need of resurfacing and the ride is noticeably rough.
Very Poor	1.00 – 1.84	Pavements in this category are severely deteriorated, and the ride quality must be improved.

Condition Level – Roads

The State’s established condition level is to maintain 50 percent of its roads with a rating of “fair” or better and no more than 15 percent of roads with a rating of “very poor.”

The State performs complete assessments on a calendar year basis. The following table reports the result of pavements with ratings of “fair” or better (ratings of 2.75 through 5.0) or “very poor” (ratings of 1.0 through 1.84) for the last three years:

Rating	2007	2006	2005
Fair or Better	62.6%	64.5%	69.5%
Very Poor	12.4%	11.3%	6.3%

The following table presents the State's estimated amounts needed to maintain and preserve roads at or above the established condition levels addressed above, and the amounts actually spent for each of the past five reporting periods (in thousands):

FISCAL YEAR	ESTIMATED SPENDING	ACTUAL SPENDING
2008	\$419,917	\$ 498,419
2007	\$ 321,852	\$ 390,310
2006	\$ 240,854	\$ 366,600
2005	\$ 226,345	\$ 307,858
2004	\$ 231,214	\$ 262,741

Bridges

UDOT uses the Structures Inventory System to monitor the condition of the 1,819 state-owned bridges. A number, ranging from 1 to 100, is calculated based on condition, geometry, functional use, safety, and other factors. Three categories of condition are established in relation to the number range as follows:

Category	Range	Description
Good	80 – 100	Preventive maintenance requirements include repair leaking deck joints, apply deck overlays and seals, place concrete sealers to splash zones, paint steel surfaces, and minor beam repairs.
Fair	50 – 79	Corrective repairs include deck, beam, and substructure repairs, fixing settled approaches, and repairing collision damage.
Poor	1 – 49	Major rehabilitation and replacement includes deck, beam, or substructure replacements or replacement of the entire bridge.

Condition Level – Bridges

The State performs complete assessments on an annual basis ending April 1 of each year. The established condition level is to maintain 50 percent of the bridges with a rating of "good" and no more than 15 percent with a rating of "poor." The following table reports the results of the bridges assessed for the past three years:

Rating	2008	2007	2006
Good	72.0%	71.0%	71.0%
Poor	2.0%	2.0%	2.0%

The following table presents the State's estimated amounts needed to maintain and preserve bridges at or above the established condition levels addressed above, and the amounts actually spent for each of the past five reporting periods (in thousands):

FISCAL YEAR	ESTIMATED SPENDING	ACTUAL SPENDING
2008	\$ 74,103	\$ 87,956
2007	\$ 56,797	\$ 68,878
2006	\$ 42,504	\$ 64,694
2005	\$ 39,943	\$ 54,328
2004	\$ 40,803	\$ 46,366

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